

Message Text

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PAGE 01 CARACA 02173 281221Z

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01

LAB-04 SIL-01 OMB-01 L-02 PA-01 PRS-01 USIA-06 /053 W

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R 272034Z FEB 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 7801

LIMITED OFFICIAL USE CARACAS 2173

E.O. 11652: N/A

TAGS: EFIN VE

SUBJ: FOREIGN FIRMS NO LONGER MUST PAY MAXIMUM INTEREST RATE

1. PRESIDENT OF CENTRAL BANK ALFREDO LAFEE ANNOUNCED THAT THE BOARD OF DIRECTORS OF THE BANK DECIDED THAT FOREIGN FIRMS NO LONGER ARE REQUIRED TO PAY THE MAXIMUM INTEREST RATE OF 14 PERCENT ON LOANS OBTAINED WITHIN VENEZUELA BUT HENCEFORCE WOULD BE ABLE TO PAY THE GOING MARKET RATE. THE DECISION WAS TAKEN AT AN EXTRAORDINARY MEETING OF THE BOARD ON FEBRUARY 25.

2. COMMENT: EMBASSY UNDERSTANDS THAT DECISION WAS MOTIVATED BY DESIRE TO ENCOURAGE LOANS TO FOREIGN FIRMS AS MEANS OF REDUCING CURRENT HIGH LEVEL OF LIQUIDITY.
MCCLINTOCK

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, LOANS, INTEREST RATES
Control Number: n/a
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Draft Date: 27 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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Review Comment: n/a
Review Content Flags:
Review Date: 12 SEP 2003
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Review Exemptions: n/a
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Review Markings:

Margaret P. Grafeld
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05 JUL 2006

Review Media Identifier:
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Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
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Status: NATIVE
Subject: FOREIGN FIRMS NO LONGER MUST PAY MAXIMUM INTEREST RATE
TAGS: EFIN, EINV, VE
To: STATE
Type: TE
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